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ALLEN H. HARRISON, JR.

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INTERSTATE COMMERCE COMMISSION
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June 21, 1988

No. 8-173A055
Date JUN 21 1988
Fee \$ 13.00

Dear Ms. McGee:

ICC Washington, D C

On behalf of CIS Corporation, I submit for filing and recording under 49 U.S.C. Section 11303(a) and the regulations promulgated thereunder, three (3) executed counterparts of a primary document, not previously recorded, entitled Loan and Security Agreement dated June 21, 1988.

The parties to the enclosed Loan and Security Agreement are:

New Number
CIS Corporation - Debtor
One CIS Parkway
(Carrier Circle)
East Syracuse, New York 13057

Sanwa Business Credit Corporation -
Secured Party
One South Wacker Drive
Chicago, Illinois 60606

A.B. - answer
The said Loan and Security Agreement, among other things, covers the granting by Debtor to Secured Party of a security interest in certain locomotives and the proceeds from the lease thereof to secure a loan in the principal amount of four million eight hundred fifty-four thousand and eight hundred dollars (\$4,854,800).

The locomotives covered by the Loan and Security Agreement are those locomotives identified in Schedule 1 thereto, namely four (4) Model Dash 8-40B, turbo charged diesels identified by The New York, Susquehanna and Western Railway Corporation numbers 4002, 4004, 4006 and 4008.

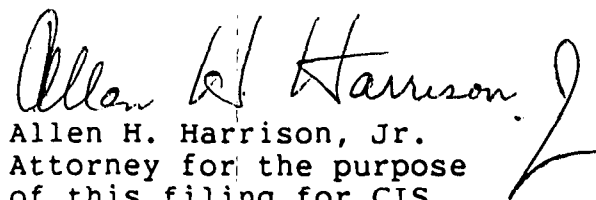
A short summary of the document to appear in the ICC Index is as follows:

Over
"Covers 4 locomotives, NYS&W 4002, 4004, 4006 and 4008."

Enclosed is a check in the amount of thirteen dollars (\$13) in payment of the filing fee.

Once the filing has been made, please return to bearer the stamped counterparts of the Loan and Security Agreement not needed for your files, together with the fee receipt, the letter from the ICC acknowledging the filing, and the two extra copies of this transmittal letter.

Very truly yours,


Allen H. Harrison, Jr.
Attorney for the purpose
of this filing for CIS
Corporation

Honorable Noreta R. McGee
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Enclosures

AHH/iw

BY HAND

Interstate Commerce Commission
Washington, D.C. 20423

6/21/88

OFFICE OF THE SECRETARY

Allen H. Harrison, Jr.
Wilmer, Cutler & Pickering
2445 M. Street N.W.
Washington, D.C. 20037-1420

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 6/21/88 at 12:55pm, and assigned recordation number(s). 15693 & 15694 & 15694-A

Sincerely yours,

Nanta L. McGee

Secretary

Enclosure(s)

LOAN AND SECURITY AGREEMENT

1 5693
JUN 21 1988-12 55 PM
INTERSTATE COMMERCE COMMISSION

This LOAN AND SECURITY AGREEMENT (the "Agreement") dated as of June 21, 1988, between CIS Corporation, a New York corporation, having its chief executive office at One CIS Parkway (Carrier Circle), East Syracuse, New York 13057 ("Debtor"), and Sanwa Business Credit Corporation, a Delaware corporation, with an office at One South Wacker Drive, Chicago, Illinois 60606 ("Secured Party"),

WITNESSETH:

WHEREAS, Debtor is lessor of equipment described below under that certain Master Lease Agreement, dated as of June 21, 1988 and certain Equipment Lease Schedules to which they are attached or to which they will be attached (collectively the "Lease"), by and between Debtor, as lessor, and The New York, Susquehanna and Western Railway Corporation (the "Lessee"), as lessee;

WHEREAS, under the terms and conditions set forth in the Lease, Debtor has leased to Lessee and Lessee has leased from Debtor certain railroad locomotives (defined in the Lease as, and hereinafter the "Equipment");

WHEREAS, to enable Debtor to purchase the Equipment, Secured Party is making a loan to Debtor in the original principal amount of \$4,854,800.00 (the "Loan"), evidenced by Debtor's Promissory Note (the "Note");

WHEREAS, the Note and all principal thereof and interest thereon and all additional amounts and other sums at any time due and owing from or required to be paid by Debtor under the terms of the Note and this Agreement are hereinafter collectively referred to as the "Indebtedness Hereby Secured"; and

WHEREAS, all of the requirements of law have been fully complied with and all other acts and things necessary to make this Agreement a valid, binding and legal instrument for the security of the Note have been done and performed;

NOW THEREFORE, in consideration of the mutual covenants contained in this Agreement, the parties hereto agree as follows:

SECTION 1. AGREEMENT TO LEND.

1.1 The Loan. Subject to all the terms and conditions set forth in this Agreement, Secured Party agrees to make a loan to Debtor in the principal amount of \$4,854,800.00. The Loan shall be evidenced by the Note and all unpaid principal and interest due thereunder shall be payable pursuant to the terms thereof. The Loan shall be secured by this Agreement and by all of the Collateral (as hereinafter defined) covered by this Agreement.

1.2 Payment of Counsel Fees. Debtor shall pay to Secured Party the fees of Secured Party's counsel, Messrs. Sheppard, Mullin, Richter and Hampton, incurred by Secured Party in connection with this loan transaction.

1.3 Prepayment of the Note. Subject to the provisions of Section 1.5, the Note may be prepaid without penalty by Debtor. Upon prepayment in full, Secured Party will release its lien created hereunder with respect to such Equipment.

1.4 Loan Fee. Debtor shall pay to Secured Party a one time loan fee in the amount of \$4,854.80 which shall be payable at the time the Loan is funded.

1.5 Prepayment Fee. If, for any reason, the Loan is prepaid in full on or before 30 days from the date hereof, Debtor shall pay to Secured Party a prepayment fee in the amount of \$3,000.

SECTION 2. CONDITIONS TO LENDING

2.1 Conditions to the Loan Funding. The obligation of Secured Party to make the Loan is subject to the execution and delivery of the following to Secured Party, all in form and substance satisfactory to Secured Party:

- (a) The Note payable to the order of the Secured Party;
- (b) Counterparts of this Agreement executed by all parties hereto;
- (c) An original executed guaranty by Continental Information Systems Corporation in favor of Secured Party;
- (d) Bills of Sale for the Equipment in favor of Debtor;
- (e) All necessary transmittal letters and other items necessary for filing with the Interstate Commerce Commission;
- (f) Certificates of Insurance covering the Equipment;
- (g) Certified copies of the Articles of Incorporation of Debtor, certified as of the date of the Loan;
- (h) Certified copies of the By-laws of Debtor, certified as of the date of the Loan;
- (i) Certified copies of the resolutions of the Board of Directors of Debtor, certified as of the date of the Loan;
- (j) Certified copies of the Articles of Incorporation and By-Laws of Continental Information Systems Corporation;
- (k) Certified copies of the resolutions of the Board of Directors of Continental Information Systems Corporation;

(l) A certificate of the Secretary or an Assistant Secretary of Debtor certifying the names and true signatures of the officers of Debtor authorized to sign this Agreement, the Note, and all other documents to which Debtor is a party and the other documents to be delivered hereunder or thereunder.

(m) A certificate of the Secretary or an Assistant Secretary of Continental Information Systems Corporation certifying the names and true signatures of the officers of Continental Information Systems Corporation authorized to sign the guaranty;

(n) The originally executed copy of the Lease and Lease Schedule(s) relating to items of Equipment purchased by Debtor with the proceeds of the Loan needed to perfect a security interest in the Lease and Lease Schedule(s);

(o) UCC-1 financing statements for filing in all appropriate states, naming Debtor as debtor and Secured Party as secured party;

(p) UCC-1 financing statements for precautionary filing in all appropriate states naming Lessee as debtor, Debtor as secured party and Secured Party as assignee;

(q) A pay proceeds letter to Secured Party and copies of all invoices in connection therewith;

(r) A Memorandum of Assignment of Lease executed by the parties hereto;

(s) The opinions of in-house counsel for the Debtor and Continental Information Systems Corporation, satisfactory to Secured Party;

(t) There shall have occurred no Event of Default (as hereinafter defined) which remains uncured or event which, with the giving of notice or the passage of time or both, would constitute an Event of Default;

(u) All of the representations and warranties contained in this Agreement shall be true and correct as of the date of the disbursement of the Loan as though made as of that date; and

(v) Any other documents that Secured Party may reasonably request.

SECTION 3. SECURITY INTEREST

In consideration of the Loan and other good and valuable consideration, receipt whereof is hereby acknowledged, and in order to secure the payment of the Indebtedness Hereby Secured and the prompt performance and observance of all the covenants and conditions contained in the Note and in this Agreement, Debtor does hereby mortgage, assign, pledge and grant a security interest in, and hypothecate unto Secured Party, its successors and assigns, the following described properties, rights, interest and privileges (all of which properties are hereinafter collectively referred to as the "Collateral"):

DIVISION I

The Equipment described in Schedule 1 attached hereto and made a part hereof, being the Equipment leased under the Lease, together with all accessories, attachments and appurtenances at any time incorporated or installed in or appertaining or attached to the Equipment, whether now owned or hereafter acquired, and all substitutions, renewals and replacements of, and improvements to said Equipment (except for parts, accessories, modifications, additions or improvements which remain property of the Lessee under the Lease), together with all the rents, issues, income, profits and avails thereof, and all manuals and data and all records, including, without limitation, all inspection, modification and overhaul records, maintained with respect to any item of Equipment.

DIVISION II

All right, title and interest of Debtor in, under and to the Lease, and all rents and other sums due and to become due thereunder, including without limitation any and all extensions or renewals of the Lease and all re-lease rents and all guaranties or other agreements securing or supporting the performance of the Lessee under the Lease (collectively, the "Payments"); it being the intent and purpose hereof that the assignment and transfer to Secured Party of the Payments shall be effective and operative immediately and shall continue in full force and effect and Secured Party shall have the right to collect and receive the Payments for application in accordance with the provisions of Section 7 hereof at all times during the period from and after the date of this Agreement until the Indebtedness Hereby Secured has been fully paid and satisfied.

DIVISION III

All proceeds of any of the foregoing including, without limitation, insurance proceeds, termination payments, casualty loss payments, accounts, chattel paper, goods, documents, instruments and general intangibles.

SUBJECT, HOWEVER, to the right and interest of the Lessee under the Lease so long as no Event of Default under the Lease shall have occurred and be continuing.

SECTION 4. COVENANTS AND WARRANTIES

The Debtor covenants, represents, warrants and agrees as follows:

4.1 Warranty of Title. That Debtor has good title to the Collateral, free and clear of all claims, liens, security interests or other encumbrances including those arising from blanket liens or encumbrances created by Debtor, subject only to the right and interest of the Lessee under the Lease. The Debtor has full power and authority to grant a security interest in the Collateral to Secured Party and hereby warrants said title to the Collateral against all claims and demands whatsoever subject as aforesaid.

4.2 Further Assurances. That Debtor will, upon written direction from Secured Party and at Debtor's own expense, do such other and further acts, execute, acknowledge and deliver all deeds, conveyances, transfers and assurances reasonably

necessary or proper for the better assuring, conveying, assigning, and perfecting Secured Party's interest in and confirming unto Secured Party all of the Collateral. Debtor will perform all obligations of lessor under the Lease, however arising, as if this Agreement had not been made.

4.3 Recordation and Filing. That Debtor will, at Debtor's own expense, do everything reasonably necessary or expedient, as determined by Secured Party, to preserve, perfect and maintain, or cause to be preserved, perfected and maintained, a perfected security interest prior to all other security interests in the Collateral as against Debtor, and in the Equipment as against the Lessee and any subsequent transferee thereof, including, without limitation, causing all Uniform Commercial Code ("Code") financing and continuation statements, all interstate commerce commission filings, and similar notices required by applicable law, at all times to be kept, recorded and filed in such manner and in such places within the United States as may be required by law or reasonably directed by Secured Party in order to preserve and protect the rights of Secured Party hereunder.

4.4 Modifications of the Lease. That Debtor will not, without the prior written consent of Secured Party:

(a) Except as otherwise provided in Sections 13 of the Lease, declare a default or exercise the remedies of the Lessor under, or terminate, modify or accept a surrender of or offer or permit modification, surrender or termination of, the Lease or consent to the creation or existence of any security interest or other lien to secure the payment of indebtedness upon the leasehold estate created by the Lease or any part thereof;

(b) Receive or collect or permit the receipt or collection of any rental or other payment under the Lease prior to the date for payment thereof provided for by the Lease or extend any time for payment other than as provided under the Lease or grant any waiver or consent under the Lease; or

(c) Permit Lessee to assign its interest in the Lease or in any item of Equipment, which consent shall not be unreasonably withheld by Secured Party.

4.5 Power of Attorney in Respect of the Lease. That Debtor, upon the occurrence and continuation of an Event of Default, as hereinafter defined, does hereby irrevocably constitute and appoint Secured Party its true and lawful attorney with full power of substitution, for it and in its name, place and stead, to ask, demand, collect, receive, receipt for, sue for, compound and give acquittance for any and all rents, income, insurance proceeds and other sums which are assigned under Divisions II and III of Section 3 of this Agreement, with full power to settle, adjust or compromise any claim thereunder as fully as Debtor could itself do, and to endorse the name of Debtor on all checks, drafts, and other instruments given in payment or in part payment thereof, and in its discretion to file any claim or take any other action or proceedings, either in its own name or in the name of the Debtor, or otherwise, which Secured Party may deem necessary or appropriate to collect any and all sums which may be or become due or payable under the Lease, or which may be necessary or appropriate to protect and preserve the right, title and interest of Secured Party in and to such rents and other sums and the security intended to be created hereby.

4.6 Notice of Default. That Debtor will give Secured Party prompt written notice of any event or condition constituting an Event of Default under the Lease of which Debtor has actual knowledge.

4.7 Retention of Title. That Debtor will not encumber, sell, assign or otherwise dispose of any interest in the Collateral, except as such is encumbered and assigned to Secured Party as provided by this Agreement; provided, however, that Debtor may sell, assign, or otherwise dispose of all of the Equipment upon the payment of all principal, accrued interest and other charges due hereunder with respect to the Equipment and upon such prepayment Secured Party will release its lien created hereunder with respect to the Equipment. The Debtor represents and warrants for the benefit of Secured Party that the Lease is a "true lease" and is not a lease intended as security under the applicable Uniform Commercial Code.

4.8 Totality of Documents. The Lease has been duly executed and delivered by each party thereto; constitutes valid and binding obligations of each party thereto in accordance with its terms; the Equipment has been delivered to and accepted by the Lessee; the Lease executed by Lessee and Debtor, true and correct copies of which have been previously delivered to Secured Party, remains in full force and effect and represents the total and complete agreement between Lessee and Debtor with respect to the Collateral.

4.9 Authority; Validity. That this Agreement, the Note and all other documents contemplated hereby have been duly executed and delivered by Debtor, that Debtor has full authority to enter into this Agreement, to execute the Note and to consummate the transactions contemplated hereby; the execution and delivery of this Agreement and the Note and the performance of Debtor's obligations hereunder and thereunder have been duly authorized by all necessary corporate action; and this Agreement and the Note constitute the valid and binding agreements and obligations of Debtor, enforceable against Debtor in accordance with their terms, except as enforceability may be limited by applicable bankruptcy, reorganization, insolvency, moratorium or similar laws relating to or affecting creditors' rights generally.

4.10 Further Covenants, Representations and Warranties. Debtor further represents, warrants and covenants to Secured Party:

(a) That Debtor is a duly organized and validly existing corporation in good standing under the laws of the State of New York qualified to do business in all jurisdictions in which qualification is required in order for it to carry out the transactions contemplated by this Agreement and the Lease; and it is empowered and authorized to own its properties and carry on its business as now or hereafter conducted;

(b) That the execution and delivery of this Agreement, the Note and all other documents and agreements contemplated hereby, are within its corporate powers, have been authorized by proper corporate proceedings and will not contravene any provision of law, governmental rule or regulation, judgment or order applicable to the Debtor, or any provision of its charter or by-laws, or any contract or other agreement or instrument binding upon it; and this Agreement is a valid and binding obligation of the Debtor which is enforceable against the Debtor in accordance with its terms;

(c) That no giving of notice to, registration with or taking any action in respect of or by any federal, state or local governmental body is required and no governmental authorization or approvals are required for the execution and delivery of this Agreement or for the validity and enforceability hereof or for

the grant of the security interest hereunder on the terms and conditions herein provided, or, if any such actions or approvals are so required they have been so given and/or obtained, and, if any such approvals are hereafter required, they will be promptly obtained;

(d) That no litigation or administrative proceedings are pending or, to the best knowledge of the Debtor, threatened against or affecting the Debtor in any court or before any governmental body, the adverse determination of which would affect the validity of this Agreement, the rights of the Secured Party or its successors hereunder, or the ability of the Debtor to perform its obligations under this Agreement;

(e) That the Debtor has filed all tax returns that are required under the laws of the United States and any state or subdivision thereof and has paid all taxes shown to be due and payable, and there are no Federal tax liens filed against the Debtor;

(f) That no other security interest has been or will be granted by the Debtor with respect to the Collateral other than to the Secured Party;

(g) That all right, title and interest of the Debtor in and to the Collateral are and shall be expressly subject and subordinate to all of the right, security title and interest of the Secured Party therein;

(h) That the Debtor will duly perform all of the obligations of the lessor under the Lease and shall remain liable thereunder to the Lessee notwithstanding this Agreement or Secured Party's exercise of any of its rights or remedies hereunder, and Debtor will not, without the Secured Party's prior written consent, amend, modify, or issue any consent or waiver of, any provision of the Lease or extend the time of any payment thereunder, or rescind, cancel or accept the surrender of the Lease;

(i) That the Debtor will keep the Collateral free and clear of all mortgages, pledges, liens, charges, security interests and all other encumbrances whatsoever arising by, through or under the Debtor not related to its ownership of the Collateral and this Agreement, and the Debtor will defend the right and interest of the Secured Party in and to the Collateral consistent with the foregoing;

(j) That in the event of loss or damage to the Equipment of which an officer of the Debtor has actual knowledge, the Debtor shall promptly give notice thereof to the Secured Party;

(k) That the Debtor shall give the Secured Party at least 30 days' prior notice of any change in the location of its principal place of business, its chief executive office or the place at which its books and records are kept from the address specified in the first paragraph of this Agreement;

(l) That the Debtor shall pay or cause to be paid all charges, taxes and assessments levied or assessed against the Debtor which if unpaid would constitute a lien on the Collateral, other than liens for taxes not yet due;

(m) That the Debtor shall pay or cause to be paid all taxes imposed on the Debtor's net income or any other tax, if the failure to pay such taxes could result in the imposition of any lien against the Collateral or any payments made or to be made by the Lessee in respect thereof and which were received by Secured Party and remitted to Debtor by Secured Party; and

(n) Debtor shall maintain or cause to be maintained by Lessee insurance with respect to the Collateral according to Section 14 of the Lease.

SECTION 5. RIGHTS OF SECURED PARTY

The Debtor hereby irrevocably constitutes and appoints the Secured Party and any officer, employee or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the Debtor or in its own name, from time to time in the Secured Party's discretion, for the purpose of carrying out the terms of this Agreement to take any and all appropriate action and to execute any and all documents and instruments which may be reasonably necessary or desirable to accomplish the purposes of this Agreement and, without limiting the generality of the foregoing, the Debtor hereby gives the Secured Party the power and right, on behalf of the Debtor, without assent by the Debtor to do the following: (i) without notice to the Debtor, to endorse any loss payment or returned premium check and to make, settle, and release any claim under any insurance policy with respect to the Collateral, (ii) with 30 days' prior notice to the Debtor (unless circumstances require the Secured Party to act immediately without such notice to preserve its security interest), to file any claim or take any other action or proceeding in any court of law or equity for the purpose of collecting any and all monies due under any Collateral; (iii) without notice to the Debtor to receive payment of and receipt for any and all monies, claims and other amounts due and to become due at any time in respect of or arising out of any Collateral; and (iv) without notice to the Debtor, upon the occurrence and continuance of any Event of Default under the terms of this Agreement (A) to apply each payment in respect of the Collateral in payment or satisfaction of the Indebtedness Hereby Secured; (B) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any part thereof and to enforce any other right in respect to the Collateral; (C) to settle, compromise or adjust any suit, action or proceeding described above and, in connection herewith, to give such discharges or releases as the Secured Party may deem appropriate; and (D) generally to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Secured Party were the absolute owner thereof for all purposes, and to do, at the Secured Party's option, at any time, or from time to time, all acts and things which the Secured Party deems necessary to protect, preserve or realize upon the Collateral and the Secured Party's security interest therein in order to effect the intent of this Agreement all as fully and effectively as the Debtor might do. The Debtor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest, shall be irrevocable and shall terminate only upon payment in full of the Indebtedness Hereby Secured. The powers conferred on the Secured Party hereunder are solely to protect the Secured Party's interests in the Collateral and shall not impose any duty upon it to exercise such powers. The Secured Party shall be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither it nor any of its officers, directors, employees or agents shall be responsible to the Debtor for any action taken or omitted

to be taken in good faith or in reliance on the advice of counsel except only for its own gross negligence or willful misconduct, and the foregoing shall not operate to release the Secured Party from any liability arising out of the gross negligence of any of its officers, directors, employees or agents in disposing of any of the Collateral.

SECTION 6. POSSESSION AND USE OF THE EQUIPMENT

While Debtor is not in default hereunder it shall be permitted to remain in full possession, enjoyment and control of the Equipment and to manage, operate and use the same and each part thereof with the rights and franchises appertaining thereto; provided, always, that the possession, enjoyment, control and use of the Equipment shall at all times be subject to the observance and performance of the terms of this Agreement. It is expressly understood that the use and possession of the Equipment by Lessee under and subject to the Lease shall not constitute a violation of this Section 6. Secured Party agrees that so long as no Event of Default (as defined in the Lease) has occurred and is continuing, Lessee shall quietly possess, use and enjoy the Equipment and the rents, revenues, profits and income therefrom without hindrance or interruption by Secured Party or by any other person lawfully claiming under or through Secured Party.

SECTION 7. APPLICATION OF RENT AND CERTAIN OTHER MONIES RECEIVED BY SECURED PARTY

7.1 Application of Rents, Insurance and Other Payments by Lessee. As more fully set forth in Division II of Section 3 of this Agreement, Debtor has granted to Secured Party a security interest in the Payments as security for the Note. The Payments received by Secured Party from Lessee pursuant to this Agreement or any supplement hereto shall be held by Secured Party as part of the Collateral and, so long as no Event of Default referred to in Section 8 hereof has occurred and is continuing, or any event which with the lapse of time or the giving of notice, or both, would constitute an Event of Default as so defined, all Payments shall be paid and applied as follows:

(a) Rents. The Payments from time to time received by Secured Party under the Lease shall be applied first, to the payment of all amounts of interest then due and payable on the Note; and second to all other Indebtedness Hereby Secured.

(b) Casualty Value Payments or Indemnity Payments. The amounts received by Secured Party which constitute settlement by the Lessee of the "Stipulated Loss Value" relating to the Equipment shall be paid and applied to prepay a portion of the Loan; provided, however, that if the Debtor shall have first replaced any item of Equipment or caused the Equipment to be replaced, pursuant to the terms of the Lease, and such replacement shall have become subject to this Agreement in form satisfactory to the Secured Party, such payments shall be paid over to, and retained by, Debtor.

7.2 Notwithstanding anything else contained in this Section, (i) if an Event of Default referred to in Section 8 hereof has occurred and is continuing, all amounts received by Secured Party under this Agreement shall be applied in the manner provided for in Section 8 with respect to proceeds and avails of the Collateral, and (ii)

so long as the Lease is in effect, all insurance proceeds shall be applied in the manner provided for in the Lease.

SECTION 8. DEFAULTS AND OTHER PROVISIONS

8.1 The term "Event of Default" for the purpose hereof shall mean:

(a) any one or more breaches by Debtor of any of the terms of the Note, this Agreement, or a failure in the due observance or performance by Debtor of any covenant, condition or agreement required to be observed or performed by Debtor pursuant to the terms of the Lease;

(b) the occurrence of an Event of Default under and as defined in the Lease;

(c) Debtor or the then owner of the Equipment files a voluntary petition in bankruptcy or a voluntary petition seeking reorganization in a proceeding under any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt or moratorium law (as now or hereafter in effect) or such a petition is filed against Debtor and is not withdrawn or dismissed within sixty (60) days thereafter, or Debtor makes assignment for the benefit of creditors;

(d) Attachments or other liens, except for the security interest created in favor of Secured Party hereunder shall be issued or entered against the Collateral and shall remain undischarged or unbonded for thirty (30) days; or

(e) Any repudiation or purported repudiation by Continental Information Systems Corporation of its guaranty of Debtor's obligations under the Note and this Agreement.

8.2 In the event that any such Event of Default has occurred and is continuing, and upon notice by Secured Party pursuant to the fourth (4th) paragraph of the Note, all of the Indebtedness Hereby Secured shall, at the option of Secured Party, become immediately due and payable without further notice or demand and Secured Party shall have the rights, options and remedies of a secured party and Debtor shall have the rights, options and duties of a debtor under the Code regardless of whether such Code or law similar thereto has been enacted in the jurisdiction wherein the rights or remedies are asserted, and without limiting the foregoing, Secured Party may exercise any one or more or all, and in any order, of the remedies set forth in this Agreement and the Lease.

8.3 Any sale by Secured Party whether under any power of sale hereby given or by virtue of judicial proceedings may be conducted at any location in the continental United States, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of Debtor in and to the Collateral sold and shall be a perpetual bar, both at law and in equity, against Debtor, its successors and assigns, and against any and all persons claiming the property sold or any part thereof under, by or through Debtor, its successors or assigns (subject, however, to the then existing rights, if any, of the Lessee under the Lease and to the rights and interest of Debtor, its successors and assigns, in the proceeds of such sale which are in excess of the amount required to satisfy the provisions of Section 8.4(a), 8.4(b) and 8.4(c) hereof).

8.4 The proceeds of any sale of the Collateral or any part thereof, and the proceeds and the avails of any remedy hereunder shall be paid to and applied as follows:

(a) To the payment of costs and expenses of foreclosure or suit, if any, and of such sale, and the reasonable compensation of the agents, attorneys and counsel of Secured Party and of all reasonable expenses, liabilities and advances incurred or made hereunder by Secured Party (including, without limitation, reasonable attorneys' fees), or the holder or holders of the Note, and of all taxes, assessments or liens superior to the lien of these presents, except any taxes, assessments or other superior lien subject to which said sale may have been made;

(b) To the payment to the Secured Party or the holder or holders of the Note of the amount then owing or unpaid on the Note for principal and interest (first to interest on the Note and then to principal); and in case any such proceeds shall be insufficient to pay the whole amount so due upon the Note then to the payment of such principal and/or interest then owing on the Note as Secured Party or the holders of the Note shall elect;

(c) To the payment of any other Indebtedness Hereby Secured; and

(d) Secured Party shall account to Debtor for any surplus as provided by the Code and Debtor shall be liable for any deficiency.

8.5 No delay or omission of Secured Party, its successors or assigns, or of any holder of the Note, to exercise any right or power arising from any Event of Default on the part of Debtor shall exhaust or impair any such right or power or prevent its exercise during the continuance of such default. No waiver by Secured Party of any right hereunder shall be effective unless in writing and signed by a duly authorized representative of Secured Party. No waiver by Secured party or any holder or holders of the Note of any such Event of Default, whether such waiver be full or partial, shall extend to or be taken to affect any subsequent Event of Default, or to impair the rights resulting therefrom, except as may be otherwise provided herein.

SECTION 9. MISCELLANEOUS

9.1 Successors and Assigns. Whenever any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all the covenants, promises and agreements in this Agreement contained by or on behalf of Debtor or by or on behalf of Secured Party shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not; provided, however, that this Section 9.1 shall not affect any restrictions on assignment otherwise set forth in this Agreement.

9.2 Release. Subject to the provisions of Sections 1.5 and 4.7, Secured Party shall release this Agreement and the lien hereof by proper instrument or instruments at such time as all Indebtedness Hereby Secured has been fully paid or satisfied.

9.3 Notices. Notice to any party required to be given at any time in connection with this Agreement or the pursuit of any of Secured Party's remedies shall be in writing and shall be reasonably and properly given if mailed to such party by certified mail, return receipt requested, postage prepaid, at the address set forth below or such other address as may be specified by such party by notice to the other party pursuant to this Section 9.3.

To Debtor at: CIS Corporation
909 Montgomery Street
San Francisco, California 94133
Attn: Senior Vice President,
Capital Equipment

To Secured Party at: Sanwa Business Credit Corporation
One South Wacker Drive
Chicago, Illinois 60606
Attn: Senior Vice President
Vendor Financing
and Services Group

9.4 Governing Law; Counterparts. This Agreement shall be interpreted and enforced between the parties in accordance with the laws of the State of California. This Agreement may be executed in any number of counterparts and by the parties hereto on separate counterparts but all counterparts shall together constitute a single instrument.

9.5 Severability. In the event that any provision of this Agreement is held to be invalid or unenforceable by a court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof, and to that end, each provision of this Agreement is hereby declared to be severable.

9.6 Entire Agreement. This Agreement, the Memorandum of Assignment of Lease, and the Note, together with any and all other documents referred to herein, constitute the entire agreement between Debtor and Secured Party pertaining to the subject matter contained herein.

9.7 Amendment; Waiver. This Agreement may not be amended, changed, modified, altered or terminated except by a written agreement signed by Secured Party and Debtor. Neither Secured Party nor Debtor may waive any right hereunder except by a signed written instrument.

9.8 Section Headings. The section headings and the sections and subsections of this Agreement are included for convenience only, and shall not affect the construction or interpretation of any provision hereof.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have caused this Agreement to be executed all as of the day and year first above written.

CIS CORPORATION

BY: Anita Spruile

TITLE: Vice President

SANWA BUSINESS CREDIT CORPORATION

BY: _____

TITLE: _____

9.8 Section Headings. The section headings and the sections and subsections of this Agreement are included for convenience only, and shall not affect the construction or interpretation of any provision hereof.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have caused this Agreement to be executed all as of the day and year first above written.

CIS CORPORATION

BY: _____

TITLE: _____

SANWA BUSINESS CREDIT CORPORATION

BY: 

TITLE: Vice President

**SCHEDULE 1
TO
SECURITY AGREEMENT**

Equipment described as follows:

Qty.	Manufacturer or Seller	Description	ID or S/N	Lessor's Cost	Funding Date
Four (4)	General Electric	Model Dash 8-40B, turbo charged diesel locomotives	4002, 4004, 4006 and 4008	\$1,213,700/ Unit	6/21/88

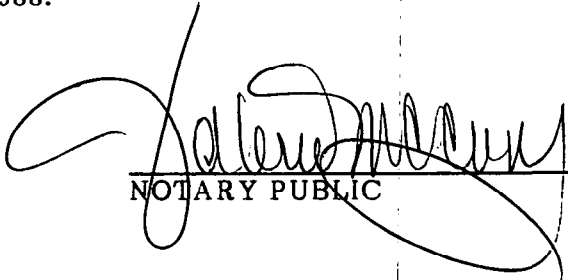
State of Ill)
County of COOK) SS.

BEFORE ME, the undersigned notary, on this day personally appeared ALBERT W Golembeski Jr, to me personally known who, being by me duly sworn, says that he/she is a Vice President of Sanwa Business Credit Corporation ("Sanwa"), that the above Loan and Security Agreement was signed on behalf of Sanwa by authority of its Board of Directors and he/she acknowledged that the execution of the foregoing Loan and Security Agreement was the free act and deed of Sanwa.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this

18th day of June, 1988.

[SEAL]


NOTARY PUBLIC

My Commission Expires:

10-9-89

State of California

County of San Francisco

)
) SS.
)

BEFORE ME, the undersigned notary, on this day personally appeared Anita Speciale, to me personally known who, being by me duly sworn, says that he/she is a Vice President of CIS Corporation ("CIS"), that the above Loan and Security Agreement was signed on behalf of CIS by authority of its Board of Directors and he/she acknowledged that the execution of the foregoing Loan and Security Agreement was the free act and deed of CIS.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this

21st day of June, 1988.



Veronica K. Mc Gregor
NOTARY PUBLIC

My Commission Expires:

March 16, 1992